

Hearing Date: May 20, 2021 at 10:00 a.m.
Objection Deadline: April 23, 2021 at 4:00 p.m.

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-and-

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re: PURDUE PHARMA, L.P., et al.¹ Debtors. : Case No. 19-23649 (RDD)
: Chapter 11
: Jointly Administered

¹ The Debtors in these cases, along with the last four digits of each Debtor's registration number in the applicable jurisdiction, are as follows: Purdue Pharma L.P. (7484), Purdue Pharma Inc. (7486), Purdue Transdermal Technologies L.P. (1868), Purdue Pharma Manufacturing L.P. (3821), Purdue Pharmaceuticals L.P. (0034), Imbrium Therapeutics L.P. (8810), Adlon Therapeutics L.P. (6745), Greenfield BioVentures L.P. (6150), Seven Seas Hill Corp. (4591), Ophir Green Corp. (4594), Purdue Pharma of Puerto Rico (3925), Avrio Health L.P. (4140), Purdue Pharmaceutical Products L.P. (3902), Purdue Neuroscience Company (4712), Nayatt Cove Lifescience Inc. (7805), Button Land L.P. (7502), Rhodes Associates L.P. (N/A), Paul Land Inc. (7425), Quidnick Land L.P. (7584), Rhodes Pharmaceuticals L.P. (6166), Rhodes Technologies (7143), UDF LP (0495), SVC Pharma LP (5717)

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**STATEMENT REGARDING OBJECTION TO DEBTORS' MOTION TO APPROVE
DISCLOSURE STATEMENT**

1. The State of West Virginia, *ex. rel.* Patrick Morrisey, Attorney General (“West Virginia”), previously filed an objection (the “Objection”) to the Debtors’ Motion to Approve (i) The Adequacy of Information in the Disclosure Statement, (ii) Solicitation and Voting Procedures, (iii) Forms of Ballots, Notices and Notice Procedures in Connection Therewith, and (iv) Certain Dates With Respect Thereto (Doc. No. 2489) (the “Motion”). The focus of the Objection was on the Debtors’ failure to include in the Disclosure Statement a description of the allocation formula and methodology that West Virginia understood had been agreed on by many of the states during the course of negotiation and mediation both before and during this bankruptcy case.

2. The Debtors have now filed an amended disclosure statement which sets forth the percentages of distributions to the National Opioid Abatement Trust (“NOAT”) that will be allocated to each of the states and territories that will be participants in NOAT, as well as the factors that were used to determine the allocations and the weight assigned to each of those factors.

3. West Virginia acknowledges, in direct result of its Objections, the Debtor has provided a formula setting forth distribution percentages, rendering the objection to the Disclosure Statement moot, but nonetheless, West Virginia reserves its right to, and currently intends to, object to the approval of the Plan insofar as it adopts the allocation scheme as presently structured. While West Virginia does not intend to raise confirmation issues at this juncture, it hereby serves

and SVC Pharma Inc. (4014). The Debtors’ corporate headquarters is located at One Stamford Forum, 201 Tresser Boulevard, Stamford, CT 06901.

notice that it believes, among other things, that the plan was not proposed in good faith and is thereby unconfirmable.

4. Even a cursory examination of the new disclosures shows that the analysis is disproportionately weighted in favor of total population rather than intensity of the health crisis. Of the four factors that the Disclosure Statement identifies as the basis for apportionment, the largest single factor is the total population of each state, weighted at 31% of the allocation. Since population is already accounted for in each of the other factors, allowing total population to determine nearly one-third of a states' apportionment is, on its face, thoroughly unjustifiable.

5. Without exploring West Virginia's concerns about the allocation scheme in greater depth at this stage of the case, it suffices to say that West Virginia believes that this allocation scheme represents an attempt by some of the more populous states to claim a greater share of the proceeds to be distributed than would be the case if the money were truly going where it is most needed. West Virginia is, after all, acknowledged even by casual observers as "the state with the most severe crisis."² West Virginia hopes to resolve these issues through negotiation rather than litigation, since it shares the goal of all parties of a speedy confirmation process so that the distribution process can begin as quickly as possible. But the distribution process must be a just one, and West Virginia will continue to fight for that result.

Dated: May 12, 2021
New York, New York

CARTER LEDYARD & MILBURN LLP

s/Aaron R. Cahn
Aaron R. Cahn
Carter Ledyard & Milburn LLP

² See, "A Crisis in San Francisco as Fentanyl Deaths Soar," New York Times, April 24, 2021, p. A21.

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